

(b) the number admitted into each group before the orders of Government regarding admission were issued;

(c) the number admitted into each group after the above orders;

(d) the number of applications rejected and the grounds therefor; and

(e) the total number now in each group in the Intermediate and B. A. classes, the figures for the Junior and Senior classes being given separately?

MR. S. PARAMESVARA AIYAR (*Secretary to Government*):
A statement* giving the information required by the member is laid on the table.

Debentures issued by the South Indian Railway Company and the Agreement between Government and the Secretary of State for India.

124. MR. N. PADMANABHA PILLAI (*Karunagapalli*):

(1) Will the Government be pleased to state:

(a) the present value, in the English market, of the several debentures issued by the South Indian Railway Company on account of the Shencottah-Quilon railway; and

(b) the dates on which these loans fell due?

(2) Will the Government be pleased to place on the table a copy of the agreement between the Travancore Government and the Rt. Hon'ble the Secretary of State for India in the matter?

MR. K. GEORGE (*Financial Secretary to Government*):

(1) (a) The Government have no information.

(b) The loans now in force, the dates on which each fell due last, and particulars regarding renewal are given below:—

Loans.	Date on which loans fell due.	Particulars regarding renewal.
(i) £ 29,517 at 6½ per cent.	3-1-1923	Renewed for 3 years at 4½ per cent.
(ii) £ 49,149 at 6½ per cent.	3-7-1922	Renewed for 2 years at 4½ per cent.
(iii) £ 2,87,125 at 4½ per cent.	15-8-1921	Renewed for 2 years at 6 per cent.

It may be stated that these loans are not separate issues made specifically for the Quilon-Shencottah Railway, but form part of the debentures issued by the South-Indian Railway Company aggregating to £ 15,10,000 for the construction of the entire Travancore line, and not

*Vide Appendix I—page 510.

[Mr. N. Padmanabha Pillai.]

merely the Shencottah-Quilon section of it. Under the terms of the Travancore contract, this Government cannot claim to discharge their liability by paying off the debentures. We may, by making special arrangements, purchase these debentures as they fall due; but in that case they will have either to be renewed or we shall have to get cash in repayment. The liability will continue till 1945 when the principal contract will fall due. Thus the purchase of the bonds will merely mean that the Sinking Fund will be invested in Railway bonds instead of in Government of India securities. The latter investment is to be preferred for the following reasons:—

- (i) They are long term loans and not therefore subject to fluctuations of interest which the Railway bonds will be subject to at every time of renewal.
- (ii) They do not involve the transfer of funds to London and *vice versa* which transfers may involve risk of loss in exchange.

(2) There is no formal agreement between the Travancore Government and the Secretary of State for India. The following contracts entered into between the Secretary of State and the South Indian Railway Company relate to the construction and working of the Travancore Branch of the South Indian Railway:—

1. The Principal contract of 1890.
2. The Travancore contract of 1901.
3. The Rate of Exchange contract of 1903.
4. The revised contract of 1910.

Government regret that they cannot lay copies of the contracts on the table.

*Interest paid by Government on the Shencottah-Quilon
Railway Loans.*

125. MR. N. PADMANABHA PILLAI (*Karunagapalli*): (1) Will the Government be pleased to state the amount paid by the State as interest on the Shencottah-Quilon Railway loans during the last six years and the rates of interest in each year for each species of loans?

(2) (a) What is the nature of the advance of Rs. 76 lakhs made by the Rt. Hon'ble the Secretary of State for India?

(b) Is it a mere cash loan or does it form part of the debentures?

(c) When is it repayable?

(d) What is its present rate of interest?

(e) What was the rate of interest guaranteed when the advance was made?

(f) Was there any variation in the rate at any time during the intervening period?